



Staff Report

TO: Honorable Mayor Noon and Members of City Council

THROUGH: Elisha Thomas, Interim City Manager
Steve Greer, Community Development Director

FROM: Derek Holcomb, AICP, Deputy Director of Community Development
Neil Marciniak, CEcD, Economic Development Manager

DATE OF MEETING: November 7, 2016

DATE OF SUBMITTAL: October 28, 2016

SUBJECT: Ordinance No. 2016-O-11: An Ordinance of the City Council of the City of Centennial, Colorado Amending Chapter 12 of the Municipal Code (Land Development Code) Related to the Central Arapahoe Road Corridor

Ordinance No. 2016-O-20: An Ordinance of the City Council of the City of Centennial, Colorado Rezoning Certain Properties Located at the Northeast Corner of East Arapahoe Road and South Quebec Street and at the Northeast and Northwest Corners of East Arapahoe Road and South Potomac Street from General Commercial (CG) to Activity Center (AC) Under the Land Development Code, and Amending the Official Zoning Map

1. **Executive Summary:**

Earlier this year, the Community Development and Economic Development Departments conducted multiple study session discussions with City Council and the Planning and Zoning Commission regarding potential Land Development Code (LDC) amendments related to the Central Arapahoe Road Corridor (the "Corridor"), including the rezoning of key parcels along the corridor from General Commercial (CG) to Activity Center (AC). At the July 18, 2016 Study Session, City Council authorized Staff to move forward with amendments to the LDC as summarized in this report and more fully described in Ordinance 2016-O-11 (Attachment 1). Council also authorized Staff to move forward with a separate ordinance rezoning specific parcels from General Commercial (CG) to Activity Center (AC), as more fully described in Ordinance 2016-O-20 (Attachment 2) and the attached Zoning Maps (Attachments 3 and 4).

At its September 28, 2016 regular meeting, the Planning and Zoning Commission recommended approval of Ordinance 2016-O-11 with no modifications. At its October 26, 2016 regular meeting, the Planning and Zoning Commission also recommended approval of Ordinance 2016-O-20 with no modifications. City Council is being asked to consider approval of Ordinances 2016-O-11 and 2016-O-20 at its November 7, 2016 regular meeting.

2. Discussion:

Background – Arapahoe Road Retail Corridor Study

In January 2016, City Council received the Arapahoe Road Retail Corridor Study (the “Study”, Attachment 5) which was completed through a partnership with the City’s Community Development Department, Economic Development Division and on-call retail consultant KP & Associates (Katy Press). Included with the Study was a summary memo outlining recommended next steps to capitalize on opportunities identified in the Study.

The Study examines, in the context of retail, existing conditions of Arapahoe Road, challenges and opportunities for retail development, impact of spacing and use restrictions currently in the LDC and recommendations for retaining and expanding quality retail along the Arapahoe Road corridor between Quebec Street and Parker Road. The Study found that opportunities exist to retain and expand quality retail through:

- Amendments to the LDC to allow currently restricted commercial uses;
- Facilitating reinvestment in key properties;
- Preserving mixed-use development opportunities at key nodes;
- Investments in placemaking creating stronger physical spaces along the Corridor; and
- Introducing higher density housing.

Additionally, the study found that specific benefits for the Arapahoe Road corridor include:

- Opportunities for mixed-use development at several key nodes along the Corridor;
- The high traffic volume nature of the Corridor makes it ideal for convenience retail uses (many of which are currently prohibited due to spacing restrictions from Arapahoe Road);
- Retailers along the Corridor would benefit from increased residential density in close proximity to the Corridor; and
- The Corridor could benefit from placemaking elements such as streetscape enhancements (medians, landscaping), wayfinding, signage, pedestrian facilities and other improvements that create a positive and unique identity for the Corridor.

Background – Existing Restrictions

In 2005, City Council adopted a series of ordinances which restricted several uses by creating spacing requirements from rights-of-way on Arapahoe Road, Jordan Road, Broncos Parkway and several intersections in the general Arapahoe Road corridor area. The restrictions were codified as part of the 2001 Land Development Code (the “Legacy LDC”) and carried over to the 2011 LDC. The uses restricted through the spacing requirements are:

- Restaurants with a drive-in or drive-thru;
- Convenience stores and gasoline stations;
- Vehicle sales, rental and service; and
- Vehicle wash.

Study Session Recap and Direction

Following City Council’s direction to capitalize on opportunities identified by the Study, Staff recommended a series of amendments to the LDC related to the Corridor. The amendments are supported by the Study and were crafted based on direction received from City Council and

Planning and Zoning Commission at three (3) study sessions earlier this year. The proposed amendments would restore the allowance for certain restricted uses along the Corridor and require high-quality development and provide mitigation for unappealing design elements (e.g. drive-through lanes, gasoline station canopies and vehicle repair bays) to protect and enhance the aesthetics of the Corridor. In general, the proposed amendments to the LDC remove the focus from 'what' can occur along the Central Arapahoe Road Corridor and instead focus on 'how' and 'where' development occurs, with an emphasis on high-quality development.

Following the final City Council Study Session on July 18, 2016, Council provided Staff with direction on each potential amendment alternative as illustrated in the table below:

1	Rezone certain parcels to Activity Center (AC) to preserve mixed-use development opportunities at key nodes along the Corridor (northeast corner Arapahoe/ Quebec and northeast/west corners Arapahoe/ Potomac)	Consensus to move forward for both locations
2	Implement a new set of enhanced design standards for the Corridor, including a building materials classification system and additional site design requirements to promote desirable development	Consensus to move forward (Update standards to provide building setback variability along the Corridor – no 'canyon effect')
3	Removal of spacing restrictions – drive-through and drive-in restaurants	Consensus to move forward
4	Removal of spacing restrictions – gasoline station / convenience store	Consensus to move forward
5	Removal of spacing restrictions – vehicle wash	Consensus to move forward (restrict from parcels directly abutting Arapahoe Road)
6	Removal of spacing restrictions – minor vehicle repair	Consensus to move forward (restrict from parcels directly abutting Arapahoe Road)
7	Removal of spacing restrictions – vehicle rental	Consensus to move forward (restrict from parcels directly abutting Arapahoe Road)
8	Removal of spacing restrictions – vehicle sales	Consensus to move forward (As a Conditional Use with enhanced building design requirements. Require auto broker to be included in the same definition as a typical dealership)

The attached Ordinances (2016-O-11 and 2016-O-20) contain all proposed LDC amendments and rezoning language to implement the direction received from City Council on July 18, 2016. The text highlighted in yellow in Ordinance 2016-O-11 (Attachment 1) represents the proposed new and modified language in the LDC. Ordinance 2016-O-20 (Attachment 2) proposes the rezoning of key parcels from CG to AC (northeast corner Quebec/Arapahoe and northeast/west corners Potomac/Arapahoe) and does not contain highlighted text.

Interactive Maps and 3-D Visuals

As previously shared with City Council, Staff has prepared a series of interactive maps for the Council's review and recap prior to the upcoming hearing on November 7, 2016. The interactive maps, including a 3-D fly-through of the corridor, are available at this link: <http://goo.gl/Pfdvzf>. The interactive maps include specific tabs providing the following information, as requested by Council:

- A visual representation of the area included in the Corridor;
- An interactive map illustrating all recent development activity (under construction, formally submitted, pre-submittal review, potential development, or vacant with no activity);
- An interactive map illustrating all drive-through convenience retail uses in the Corridor (both within Centennial and in other jurisdictions);
- An interactive map illustrating all vehicle sales uses in the Corridor (both within Centennial and in other jurisdictions);
- An interactive map illustrating all gasoline stations in the Corridor (both within Centennial and in other jurisdictions);
- A visual representation of the areas identified as 'opportunity sites' for rezoning to AC;
- An interactive map combining all of the maps above for viewing together; and
- *A 3-D video using Google Earth and the City's GIS Planimetrics software to present potential development along the vacant parcels in the Corridor.

***Note:** Since the 3-D video fly-through was initially created, a new 'Build-To Zone Frontage Requirement' table was inserted into Ordinance 2016-O-11 to ensure building setback variability along the Corridor, avoiding the 'canyon effect' that was discussed in previous meetings. The new table (Table 12-4-208(C)) sets a minimum and maximum percentage of the lot frontage that can contain a building in the Build-To Zone, thereby preventing a lot owner from constructing a building along the entire frontage in close proximity to Arapahoe Road.

Rezoning Review and Approval Criteria

Section 12-14-604(E) of the LDC shall be considered by the City Council in review of all rezoning applications. Section 12-14-604(E) states that all rezoning applications shall further the policy criteria listed below. Analysis of how the proposal to rezone the key nodes from CG to AC meets the requirements is provided below.

1. *Direct implementation of the Comprehensive Plan or an adopted Sub-Area Plan, or support for the implementation of such plans, for example, by providing for supportive land uses or intensities in the area of a Sub-Area Plan.*

The Arapahoe Urban Center Sub-Area Plan (AUC Plan) refers to the northeast corner of E. Arapahoe Rd. and S. Quebec St. as a "dynamic, mixed-use commercial district" and supports the rezoning of the area to promote enhanced "...activity along Arapahoe Road."

Rezoning this property from CG to AC is supported by the goals and policies of the AUC Plan.

As mentioned previously, the Arapahoe Road Retail Corridor Study specifically identified two locations suitable for rezoning to AC, including the northeast corner E. Arapahoe Rd. and S. Quebec St. and the northeast/west corners E. Arapahoe R. and S. Potomac St. Both instances of rezoning are consistent with the City's Comprehensive Plan and adopted sub-area plans.

2. *Recognition of the limitations of existing and planned infrastructure, by thorough examination of the availability and capability of water, sewer, drainage, and transportation systems to serve present and future land uses.*

The Arapahoe/Quebec parcels are developed with no remaining vacant parcels. The proposed rezoning to AC will allow for commercial and mixed-use land uses that can be served by existing and planned future infrastructure.

The Arapahoe/Potomac parcels are vacant with the exception of one parcel containing a child-care facility. The proposed rezoning to AC will allow for commercial and mixed-use land uses that can be served by existing and planned future infrastructure. To the City's knowledge, water, sewer, and drainage systems are available to serve the Subject Property with proper design and approval from the governing districts.

3. *Assurance of compatibility between the proposed development, surrounding land uses (existing or planned), and the natural environment.*

The Arapahoe/Quebec parcels are in an area that consists of existing commercial and residential land uses. The proposed rezoning will allow for continued commercial and mixed-use development that is consistent and compatible with the surrounding area and uses.

The Arapahoe/Potomac parcels are also in an area that consists of existing commercial and residential land uses. There are both developed and vacant parcels in the surrounding area. The proposed rezoning will allow for continued commercial and mixed-use development that is consistent and compatible with the surrounding area and uses.

To the extent that any site contains a legally established use permitted through the CG zone district, but not permitted in the AC zone district (a legal, non-conforming use), said use shall be permitted to remain as-is pursuant to Article 12, *Nonconformities*, of the LDC.

4. *The efficient and adequate provision of public services.*

Adequacy of public services will be verified during the review of any future proposals for development of each respective site. It is anticipated that public services such as fire, water, and sanitation will be available and adequate to serve future development at both locations.

5. *Enhancement of convenience for the present and future residents of the City by ensuring that appropriate supporting activities, such as employment, housing, leisure-time, and retail centers are in close proximity to one another.*

Adoption of AC zoning at these two key nodes promotes the development patterns, character and uses envisioned by the Study, the Comprehensive Plan and adopted sub-area plans (including the AUC Plan), allowing compatible uses and structures that will create new employment, housing and leisure-time opportunities for the City.

6. *Protection of public health, safety, and welfare against natural and man-made hazards which include, but are not limited to, traffic noise, water pollution, airport hazards, and flooding.*

The proposed rezoning from CG to AC for the two key nodes allows for commercial and mixed-use land uses consistent with the City's adopted long-range plans. As part of any future development of the properties, applications for development will have to demonstrate compliance with the development standards of the LDC for the AC zone district.

7. *Accessibility within the proposed development and appropriate connectivity or buffering or both between the development and existing adjacent uses.*

The surrounding land uses and structures at both nodes are consistent and compatible with the standards of the AC zone district. The AC zone district is intended to promote pedestrian-scale development that serves surrounding properties and neighborhoods and respects the context of the surrounding area. The LDC requires adequate connectivity and buffering with which future development must comply at both locations, including a landscaped bufferyard between the development and any adjacent residential properties.

8. *Minimization of disruptions to existing physiographic features, including vegetation, streams, lakes, soil types and other relevant topographical elements. Areas with significant natural resources shall not generally be rezoned to districts that allow development that would tend to degrade the resources unless adequate conditions are put in place to protect the resources.*

The Arapahoe/Quebec parcels are developed with no remaining vacant parcels. Accordingly, there are no significant topographical elements that would be disrupted through future development. Any future development of the Subject Property will have to demonstrate compliance with the LDC standards, including review and approval by the Southeast Metro Storm Water Authority (SEMSWA).

The Arapahoe/Potomac parcels are vacant with the exception of one parcel containing a child-care facility. The proposed rezoning to AC will allow for commercial and mixed-use land uses that can be served by existing and planned future infrastructure, and there are no significant topographical elements that would be disrupted through future development. Any future development of the Subject Property will have to demonstrate compliance with the LDC standards, including review and approval by SEMSWA.

9. *Assurance that the amenities and uses to be provided tend to enhance the quality of life in the area, by creating a comfortable and aesthetically enjoyable environment through conventions that include, but are not limited to:*
 - a. *The preservation of mountain views;*
 - b. *The creation of landscaped open areas;*
 - c. *The establishment of high-quality mixed-use centers that are accessible to residents of abutting neighborhoods;*
 - d. *The establishment of recreational areas; or*
 - e. *The creation of employment centers or large-scale retail or mixed-use centers in appropriate locations.*

The proposed rezoning of these two key nodes from CG to AC promotes the development patterns, character and uses envisioned by the Study, the Comprehensive Plan and adopted sub-area plans (including the AUC Plan), allowing compatible uses and structures that will create new employment, housing and leisure-time opportunities for the City.

3. Recommendations:

Staff recommends that the City Council approve Ordinances 2016-O-11 and 2016-O-20 with no modifications.

The Planning and Zoning Commission recommended approval of Ordinance 2016-O-11 with no modifications by a vote of 5-1 (Suhaka Nay). The sole dissenting vote was by Commissioner Suhaka, who stated that she did not feel the proposed LDC amendments would result in a positive change for the Corridor. The full audio minutes from the September 28, 2016 hearing are available at the link below. The discussion on this item begins at the 01:34:40 mark.

<http://sire.centennialcolorado.com/sirepub/mtgviewer.aspx?meetid=1180&doctype=AGENDA>

The Planning and Zoning Commission also recommended approval of Ordinance 2016-O-20 with no modifications by a vote of 6-1 (Sutherland Nay). The sole dissenting vote was by Commissioner Sutherland, who stated that he was in favor of a rezoning to AC at Arapahoe and Potomac, but was not in favor of a rezoning to AC at Arapahoe and Quebec at this time. The full audio minutes from the October 26, 2016 hearing are available at the link below. The discussion on this item begins at the 25:27 mark.

<http://sire.centennialcolorado.com/sirepub/mtgviewer.aspx?meetid=1182&doctype=AGENDA>

4. Alternatives:

City Council has the following alternatives:

- City Council may approve Ordinance 2016-O-11 and/or Ordinance 2016-O-20 with modifications;
- City Council may deny Ordinance 2016-O-11 and/or Ordinance 2016-O-20; or
- City Council may continue the public hearing to a future date for additional research and discussion.

5. Fiscal Impact:

According to the Arapahoe Road Retail Corridor Study, capitalizing on opportunities identified in the Study will have a positive fiscal impact to the City of Centennial.

6. Next Steps:

Should Ordinance 2016-O-11 and Ordinance 2016-O-20 be approved by City Council, the LDC and the Official Zoning Map will be updated to reflect the changes set forth in the Ordinances, to occur after 30 days following final publication of approval of the Ordinances.

7. Previous Actions:

On March 14, 2016, City Council directed Staff to move forward with the proposed amendments related to the Central Arapahoe Road Corridor with additional discussion at a future session. Council's specific comments were incorporated into the proposed ordinance attached to this report.

On May 9, 2016, City Council reaffirmed its direction given to Staff to move forward with the proposed amendments related to the Central Arapahoe Road Corridor, but asked Staff to perform additional research related to vehicle sales uses and potential supplemental conditional use and design standards.

On July 18, 2016, City Council gave final authorization to Staff to move forward with an amendment to the LDC, as summarized in this report and more fully described in the attached ordinance.

On September 28, 2016, Planning and Zoning Commission recommended approval of Ordinance 2016-O-11 with no modifications (5-1).

On October 26, 2016, Planning and Zoning Commission recommended approval of Ordinance 2016-O-20 with no modifications (6-1).

8. Suggested Motions:

Ordinance 2016-O-11 (LDC Amendments Related to the Central Arapahoe Road Corridor)

Suggested Motion for Approval – Ordinance 2016-O-11:

I MOVE TO APPROVE ORDINANCE 2016-O-11, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CENTENNIAL, COLORADO AMENDING CHAPTER 12 OF THE MUNICIPAL CODE (LAND DEVELOPMENT CODE) RELATED TO THE CENTRAL ARAPAHOE ROAD CORRIDOR, AS OUTLINED IN THE STAFF REPORT DATED OCTOBER 28, 2016.

Suggested Motion for Approval with Amendments – Ordinance 2016-O-11:

I MOVE TO APPROVE ORDINANCE 2016-O-11, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CENTENNIAL, COLORADO AMENDING CHAPTER 12 OF THE MUNICIPAL CODE (LAND DEVELOPMENT CODE) RELATED TO THE CENTRAL ARAPAHOE ROAD CORRIDOR, AS OUTLINED IN THE STAFF REPORT DATED OCTOBER 28, 2016, WITH THE FOLLOWING AMENDMENTS:

Suggested Motion for Denial* - Ordinance 2016-O-11:

I MOVE TO DENY ORDINANCE 2016-O-11, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CENTENNIAL, COLORADO AMENDING CHAPTER 12 OF THE MUNICIPAL CODE (LAND DEVELOPMENT CODE) RELATED TO THE CENTRAL ARAPAHOE ROAD CORRIDOR, BASED ON THE FOLLOWING:

*In the event City Council seeks to deny the proposed ordinance in full, Staff recommends that the member of the Council making the motion to deny consult with the City Attorney prior to making said motion.

Ordinance 2016-O-20 (Small Scale City Initiated Rezoning of Key Parcels from CG to AC)

Suggested Motion for Approval – Ordinance 2016-O-20:

I MOVE TO APPROVE ORDINANCE 2016-O-20, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CENTENNIAL, COLORADO REZONING CERTAIN PROPERTIES LOCATED AT THE NORTHEAST CORNER OF EAST ARAPAHOE ROAD AND SOUTH QUEBEC STREET AND AT THE NORTHEAST AND NORTHWEST CORNERS OF EAST ARAPAHOE ROAD AND SOUTH POTOMAC STREET FROM GENERAL COMMERCIAL (CG) TO ACTIVITY CENTER (AC) UNDER THE LAND DEVELOPMENT CODE, AND AMENDING THE OFFICIAL ZONING MAP, AS OUTLINED IN THE STAFF REPORT DATED OCTOBER 28, 2016.

Suggested Motion for Approval with Amendments – Ordinance 2016-O-20:

I MOVE TO APPROVE ORDINANCE 2016-O-20, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CENTENNIAL, COLORADO REZONING CERTAIN PROPERTIES LOCATED AT THE NORTHEAST CORNER OF EAST ARAPAHOE ROAD AND SOUTH QUEBEC STREET AND AT THE NORTHEAST AND NORTHWEST CORNERS OF EAST ARAPAHOE ROAD AND SOUTH POTOMAC STREET FROM GENERAL COMMERCIAL (CG) TO ACTIVITY CENTER (AC) UNDER THE LAND DEVELOPMENT CODE, AND AMENDING THE OFFICIAL ZONING MAP, AS OUTLINED IN THE STAFF REPORT DATED OCTOBER 28, 2016, WITH THE FOLLOWING AMENDMENTS:

Suggested Motion for Denial* - Ordinance 2016-O-20:

I MOVE TO DENY ORDINANCE 2016-O-20, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CENTENNIAL, COLORADO REZONING CERTAIN PROPERTIES LOCATED AT THE NORTHEAST CORNER OF EAST ARAPAHOE ROAD AND SOUTH QUEBEC STREET AND AT THE NORTHEAST AND NORTHWEST CORNERS OF EAST ARAPAHOE ROAD AND SOUTH POTOMAC STREET FROM GENERAL COMMERCIAL (CG) TO ACTIVITY CENTER (AC) UNDER THE LAND DEVELOPMENT CODE, AND AMENDING THE OFFICIAL ZONING MAP, BASED ON THE FOLLOWING:

*In the event City Council seeks to deny the proposed ordinance in full, Staff recommends that the member of the Council making the motion to deny consult with the City Attorney prior to making said motion.

9. Attachments:

Attachment 1: Ordinance 2016-O-11

Attachment 2: Ordinance 2016-O-20

Attachment 3: Zoning Map (Arapahoe and Quebec Parcels)

Attachment 4: Zoning Map (Arapahoe and Potomac Parcels)

Attachment 5: Arapahoe Road Retail Corridor Study

Attachment 6: Interactive Maps, link: <http://goo.gl/Pfdvzf>